



## NEWS RELEASE

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### **McDermott Awarded Conceptual and Engineering Services Contract by Talos Energy for Zama Field Development Project in Mexico**

- Scope demonstrates Company's strategic and integrated approach to conceptual solutions and pre-Front End Engineering Design (pre-FEED) for greenfield projects
- Project highlights continued and positive relationship with strategic partner Baker Hughes, a GE Company, and through our joint venture, io oil & gas consulting
- McDermott will deliver customer-focused, efficient solutions for the first offshore Mexico field awarded to a private operator

HOUSTON, Nov. 15, 2018 /PRNewswire/ -- McDermott International, Inc. (NYSE: MDR) announced today a contract award for concept and engineering services for Talos Energy Inc. for the Zama field development project – the first offshore Mexico block awarded to a private operator. The contract award is for engineering services, including concept selection and follow-on pre-FEED.

McDermott will execute this contract award with io oil & gas consulting, a joint venture between McDermott and Baker Hughes, a GE company (BHGE). McDermott will manage all phases of the engineering services process and will workshare engineers and designers in Mexico City and will receive continuous support from io and input from the customer. Based on the final concept solution identified by io, McDermott will provide the follow-on pre-FEED services for the Zama development. Work on the concept selection has begun with expected completion in the third quarter 2019.

"The Zama discovery is a significant and historic project for Mexico, and our customer, Talos Energy," said Richard Heo, Senior Vice President for North, Central and South America. "Early engagement during the conceptual and pre-FEED phases is a strategy that is proving beneficial to our customers. With high estimated oil production, designing an efficient concept solution, in combination with the integrated pre-FEED studies, allows us to help Talos maximize the value of this important greenfield project."

The Zama field is located in Block 7 of the Sureste Basin offshore Mexico in the Gulf of Mexico and has a water depth of approximately 540 feet (165 meters). The field was discovered in July 2017, and Zama-1 was the first exploration well drilled offshore Mexico by a private sector operator. Talos estimates the field has 400-800 million recoverable barrels of oil equivalent (MBOE), with an estimated peak production of approximately 150 MBOE/day. Appraisal activities are planned for late 2018 with two additional wells and first oil is expected by 2022.

The Zama field development project has shared participating interest among Talos Energy (35%), Sierra Oil and Gas (40%) and Premier Oil (25%).

The contract award will be reflected in McDermott's fourth quarter 2018 backlog.

### **About McDermott**

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and globally-integrated resources include approximately 40,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit [www.mcdermott.com](http://www.mcdermott.com).

## **About io oil & gas consulting**

io oil & gas consulting is a strategic consultancy created to provide greater certainty and higher decision quality to operators and help bring more projects to sanction by disrupting traditional approaches. io is unique with its integrated strategic-techno-commercial capabilities ensuring a balanced approach between commercial, technical and strategic priorities capitalizing on multi-discipline capabilities in subsurface, drilling, subsea, marine, facilities, decommissioning/life extension and environmental alongside economic modelling. We are a joint venture between Baker Hughes, a GE company, and McDermott and are unique in having their know-how, expertise and data 'hard coded' into our DNA. For powerful thinking, visit [www.iooilandgas.com](http://www.iooilandgas.com).

## **Forward-Looking Statements**

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, McDermott cautions that statements in this press release which are forward-looking, and provide other than historical information, involve risks, contingencies and uncertainties that may impact McDermott's actual results of operations. These forward-looking statements include, among other things, statements about backlog, to the extent this may be viewed as an indicator of future revenues or profitability, and the expected scope, execution, value and timing of the project discussed in this press release. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Those statements are made by using various underlying assumptions and are subject to numerous risks, contingencies and uncertainties, including, among others: adverse changes in the markets in which we operate or credit markets, our inability to successfully execute on contracts in backlog, changes in project design or schedules, the availability of qualified personnel, changes in the terms, scope or timing of contracts, contract cancellations, change orders and other modifications and actions by our customers and other business counterparties, changes in industry norms and adverse outcomes in legal or other dispute resolution proceedings. If one or more of these risks materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected. For a more complete discussion of these and other risk factors, please see McDermott's annual and quarterly filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2017 and subsequent quarterly reports on Form 10-Q. This press release reflects management's views as of the date hereof. Except to the extent required by applicable law, McDermott undertakes no obligation to update or revise any forward-looking statement.

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